

HOUSE BILL 3626

By Tindell

AN ACT to amend Tennessee Code Annotated, Title 55  
and Title 62, Chapter 19, relative to certain public  
auctions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 62-19-101, is amended by adding the following language as new, appropriately designated subdivisions:

( ) "Public automobile auction" means any motor vehicle dealer licensed to sell used motor vehicles, and which dealer is licensed as a public automobile auctioneer by the Tennessee auctioneer commission, and is offering motor vehicles for sale to the highest bidder where buyers are members of the public; provided, that no public automobile auction shall otherwise limit or affect the auctioning of used motor vehicles exclusively to licensed motor vehicle dealers or their duly authorized agents;

( ) "Public automobile auctioneer" means any individual who, for a fee, commission, or any other valuable consideration, or with the intention or expectation of receiving the same, by the means or process of auction or sale at auction, offers, negotiates, or attempts to negotiate a listing contract, sale, purchase or exchange of goods, including motor vehicles;

SECTION 2. Tennessee Code Annotated, Section 62-19-102(a), is amended by adding the following language as a new subdivision:

(3) Act as, or advertise or represent to be a public automobile auctioneer unless such person is duly licensed as a public automobile auctioneer, and as a motor vehicle dealer under the provisions of title 55, chapter 17, part 1.

SECTION 3. Tennessee Code Annotated, Section 62-19-111, is amended by adding the following language as a new subsection:

(s) Any individual who desires a license as public automobile auctioneer shall submit an application to the commission on the prescribed form. The application shall be accompanied by a nonrefundable examination fee as set by the commission, and satisfactory proof that the applicant has:

- (1) Reached at least twenty one (21) years of age;
- (2) Served as an auctioneer for a period of two (2) years; and
- (3) Successfully completed, in addition to the education required by subdivision (a)(2), thirty (30) hours of more rigorous classroom instruction in automobile auctioneering approved by the commission.

SECTION 4. Tennessee Code Annotated, Title 62, Chapter 19, Part 1, is amended by adding the following language as a new, appropriately designated section:

§ 62-19-128.

(a) Notwithstanding any provision of title 55, chapter 17, part 1, to the contrary, public automobile auctions shall be licensed and regulated exclusively by the Tennessee auctioneer commission.

(b) The following are minimum requirements for licensed public automobile auctions:

- (1) The public automobile auction shall have a letter of compliance with local ordinances from the local zoning authority;
- (2) The public automobile auction shall have garage keepers legal liability insurance in an amount not less than five hundred thousand dollars (\$500,000);
- (3) The public automobile auction shall have a surety bond of fifty thousand dollars (\$50,000) issued by a licensed bonding company;
- (4) The public automobile auction shall have a compiled financial statement prepared in accordance with generally accepted accounting principles

by a certified public accountant or public accountant dated not earlier than twelve (12) months prior to the date of the application and shall furnish a copy of the same to the commission along with any changes to the statement;

(5) The public automobile auction shall have a minimum net worth of at least one hundred thousand dollars (\$100,000);

(6) The public automobile auction shall have a business telephone in the auction company name. For purposes of this subdivision (b)(6), cellular telephones are not acceptable;

(7) All signs shall be visible, and a permanent professional business sign shall be installed and have letters which are at least eight inches (8") tall;

(8) The public automobile auction shall hold a current business tax license as required by local applicable law;

(9) The public automobile auctioneer shall obtain and have displayed on its premises a valid motor vehicle dealer license from the Tennessee motor vehicle commission; and

(10) The public automobile auction shall obtain and have displayed on its premises a valid license from the Tennessee auctioneer commission.

SECTION 5. The Tennessee auctioneer commission is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 6. This act shall take effect July 1, 2008, the public welfare requiring it.